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SF 2284 – Education Reform (LSB 6053SV)

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Fiscal Note Version – New

Description

Senate File 2284 provides broad reforms to the Iowa public education system.

Total General Fund Impact

The estimated General Fund cost of **Senate File 2284** will be approximately \$10.7 million in FY 2013, \$21.0 million in FY 2014, and \$21.3 million in FY 2015. The Science, Technology, Engineering, and Mathematics (STEM) initiative established at University of Northern Iowa (UNI) (Division IX) and the Iowa Reading Research Center (Division XI) will have additional costs not reflected in the table and those costs will be based on appropriations made by the General Assembly. An analysis of each Division and provision of the Bill is presented in the following table.

Estimated General Fund Fiscal Impact of SF 2284

Div	Education Reform Provision	FY 2013	FY 2014	FY 2015
I	Competency Based Instruction	\$ 0	\$ 0	\$ 0
II	Expand Core Curriculum	1,000,000	1,000,000	1,000,000
II	Core Curriculum Framework and Core Content Standards Advisory Council	0	0	0
III	Regional Parent Advocacy Network	600,000	600,000	600,000
IV	Statewide Teacher and Administrator Evaluation System Rules	0	0	0
IV	Statewide Teacher and Administrator Evaluation System	110,000	110,000	110,000
IV	Teacher Quality Committee	0	0	0
IV	Development and adoption of Professional Development Plans	110,000	110,000	110,000
IV	Coordinate with Teacher Quality Committees	500,000	500,000	500,000
IV	Two Additional Hours of Practitioner Collaboration	0	0	0
IV	Annual Reviews of Teacher's Performance with Peer Reviews	250,000	250,000	250,000
IV	Annual Evaluation for Administrators	0	0	0
IV	Statewide Educator Evaluation System Task Force	55,000	55,000	55,000
IV	Administrator Preparation and Licensure Review Task Force	55,000	55,000	55,000
IV	Iowa Teaching Standards and Criteria Review Task Force	55,000	55,000	55,000
IV	Teaching and Administration Standards Report	0	0	0
V	Tobacco Prohibited on School Grounds	0	0	0
VI	Online Advisory Committee	27,500	27,500	27,500
VI	Evaluation Procedures and educational database	110,000	110,000	110,000
VI	Develop and establish an online learning program model	1,600,000	1,600,000	1,600,000
VI	Iowa Learning online initiative	100,000	100,000	100,000
VI	Telecom. and internet delivery participation by school districts in database dev.	0	0	0
VII	Student teaching to 14 weeks	0	0	0
VIII	School Administration Manager	0	0	0
IX	Develop a program for implementing continuous improvement methodologies	6,000,000	6,000,000	6,000,000
IX	Annual Study relating to admission requirements to practitioner prep programs	0	0	0
IX	STEM initiative established at UNI	0 *	0 *	0 *
X	National Board for Professional Teaching Standards Awards	140,000	245,000	375,000
XI	Establish by Rule	0	0	0
XI	Iowa Reading Research Center	0 *	0 *	0 *
XI	Assessments - Kindergarten	0	0	0
XI	Assessment Initiative for K-3 that exhibit deficiency in reading	0	0	0
XII	Instructional Time Pilot Project	0	8,702,089	8,702,089
XIII	Parent Liaison Counselors Pilot Program	0	0	0
XIV	Class Sharing Agreements	0	1,500,000	1,600,000
XV	Practitioner Preparation Program Assessments	0	0	0
Increased General Fund Expenditures:		\$10,712,500	\$21,019,589	\$21,249,589

* Programs are estimated to have a cost impact; however, costs will be based on the amount of funding appropriated by the General Assembly.

Assumptions and Fiscal Impacts by Division

Division I – Competency-Based Instruction

This Division permits high school credit to be awarded to students that demonstrate competency in the subject areas required to be offered by accredited schools under the State's educational standards, and allows students to receive credit on a performance basis through the administration of an assessment.

Assumption:

No additional funding is required for this Division.

Fiscal Impact:

No State fiscal impact.

Division II – Core Curriculum Framework and Core Content Standards

This Division establishes a core curriculum advisory council, adds additional courses to the core curriculum, and requires the Department, in collaboration with Area Education Agencies (AEAs), to develop and implement a core curriculum for all schools. The core curriculum advisory council is required to submit findings related to the charge outlined in the Bill annually in a report to the General Assembly by November 1.

Assumptions:

- The cost of this Division is for the minimum implementation of the core curriculum.
- Costs include 2.0 FTE positions for the Department of Education and 8.0 external FTE positions (this may include AEAs).

Fiscal Impact:

The Legislative Services Agency (LSA) estimates the following amounts for expansion and implementation of the core curriculum, 2.0 FTE positions for the Department of Education and 8.0 external consultant FTE positions (this may include AEAs):

- FY 2013 - \$1,000,000
- FY 2014 - \$1,000,000
- FY 2015 - \$1,000,000

The Department of Education notes that desired implementation as proposed by the Department will increase the cost to \$2.5 million annually and require a total of 5.0 FTE positions within the Department.

Division III – Regional Parent Advocacy Networks

This Division requires AEA boards to establish regional parent advocacy networks to create an integrated, accessible set of community-wide resources to support learning and development. The regional parent advocacy network must include at least one parent representative from each school district in the area.

Assumption:

Development of the Networks will be implemented by July 1, 2013.

Fiscal Impact:

The LSA estimates the following amounts that include the cost of a 0.5 FTE position at each of the AEAs to coordinate and implement the regional parent advocacy networks:

- FY 2013 - \$600,000
- FY 2014 - \$600,000
- FY 2015 - \$600,000

Estimated Local Impact:

On average, the estimated district cost for participating in the program is \$5,000 in the first year and \$4,000 in the second and subsequent years. The LSA estimates the total local impact to be \$1.7 million in FY 2013 and \$1.4 million in FY 2014 and future fiscal years.

Division IV – Teacher and Administrator Matters

This Division relates to teaching and administrator standards and teacher and administrator preparation, licensure, professional development, and evaluation. The Division creates three new task forces: Statewide Educator Evaluation System Task Force, Administrator Preparation and Licensure Review Task Force, and Iowa Teaching Standards and Criteria Review Task Force.

Assumptions:

- Developing the statewide teacher and administrator evaluation system will be assisted by current funding for teacher quality.
- Developing and adoption of professional development plans will be assisted by current funding for teacher quality.
- Two additional hours of practitioner collaboration will be repurposed from existing professional development time.
- The cost of annual reviews of teacher performance will cover the training for peer group reviews. Department of Education staff conducting the training will be funded with teacher quality funds and the additional 2.0 FTE positions assisting with the statewide teacher and administrator evaluation system and professional development plans.
- Annual evaluations for administrators will be funded with current teacher quality funds.

Fiscal Impact:

The LSA estimates the total cost of implementing this Division is \$1,135,000 and an additional 3.5 FTE positions for FY 2013, FY 2014, and FY 2015:

Teacher and Administrator Matters Provisions	FY 2013	FY 2014	FY 2015	FTE
Statewide Teacher and Administrator Evaluation System Rules	\$ 0	\$ 0	\$ 0	0.00
Statewide Teacher and Administrator Evaluation System	110,000	110,000	110,000	1.00
Teacher Quality Committee	0	0	0	0.00
Development and adoption of Professional Development Plans	110,000	110,000	110,000	1.00
Coordinate with Teacher Quality Committees	500,000	500,000	500,000	0.00
Two Additional Hours of Practitioner Collaboration	0	0	0	0.00
Annual Reviews of Teacher's Performance with Peer Reviews	250,000	250,000	250,000	0.00
Annual Evaluation for Administrators	0	0	0	0.00
Statewide Educator Evaluation System Task Force	55,000	55,000	55,000	0.50
Administrator Preparation and Licensure Review Task Force	55,000	55,000	55,000	0.50
Iowa Teaching Standards and Criteria Review Task Force	55,000	55,000	55,000	0.50
Teaching and Administration Standards Report	0	0	0	0.00
Total Cost and FTE positions for Teacher and Administrator Matters:	\$ 1,135,000	\$ 1,135,000	\$ 1,135,000	3.50

Estimated Local Impact:

Teacher quality committees include teacher representation that will require school districts to hire substitute teachers when the committee meets quarterly. The LSA cannot estimate the local impact on districts for this provision.

Division V – Tobacco Prohibited on School Grounds

This Division prohibits the use of nicotine products by any student or by anyone on school grounds. The school board may suspend or expel a student, may remove a person, and may bar the person's future presence on school grounds for violating this provision.

Fiscal Impact:

No State fiscal impact.

Division VI – Online Learning

This Division relates to the development, establishment, and approval of learning programs delivered by online schools. The Division implements provisions for an online advisory committee, evaluation procedures and educational database to measure the effects of instruction by means of telecommunications, an online learning program model, and an Iowa learning online initiative within the Department to provide distance education to high school students statewide.

Assumptions:

- The online advisory committee will annually require a 0.25 FTE position.
- Development and evaluation costs will be an ongoing cost.
- Development of an online learning program model will transition to a fee-based service in FY 2016.
- Evaluation procedures and the online learning program model provisions of this Division will share FTE positions with the Iowa learning online initiative to continually evaluate the coursework offered online.

Fiscal Impact:

The LSA estimates the total cost of implementing this Division is \$1,837,500 and an additional 2.25 FTE positions for FY 2013, FY 2014, and FY 2015:

Online Learning Provisions	FY 2013	FY 2014	FY 2015	FTE
Online Advisory Committee	\$ 27,500	\$ 27,500	\$ 27,500	0.25
Evaluation Procedures and educational database	110,000	110,000	110,000	1.00
Develop and establish an online learning program model	1,600,000	1,600,000	1,600,000	1.00
Iowa Learning online initiative	100,000	100,000	100,000	0.00
Telecommunications and internet delivery participation by school districts	0	0	0	0.00
Total Cost and FTE positions for Online Learning:	\$ 1,837,500	\$ 1,837,500	\$ 1,837,500	2.25

Division VII – Board of Educational Examiners Provisions

This Division requires the Governor to appoint the executive director of the Board of Educational Examiners subject to confirmation by the Senate. Currently, the Director is hired by the Board of Educational Examiners. The Division also increases the length of the student teaching experience from 12 to 14 weeks.

Fiscal Impact:

No State fiscal impact.

Division VIII – School Administration Manager

This Division permits the authorization of individuals that successfully complete a training program and meet Board of Educational Examiners standards to assist school principals in performing noninstructional duties.

Assumption:

The development of standards and procedures will be performed by existing Department staff.

Fiscal Impact:

No State fiscal impact is estimated to develop the standards and procedures for the approval of training programs for individuals that seek employment as a school administration manager.

Division IX – State Board of Regents Provisions

This Division directs the State Board of Regents to develop a program for implementing continuous improvement methodologies in every undergraduate course offered by the Regents universities. For courses with enrollments of 300 or more annually, requires continuous improvement plans to be developed and implemented beginning in the fall semester of 2013. Requires the Board of Regents to annually evaluate the effectiveness of the methodologies and improvement plans and submit findings in a report to the General Assembly by November 1.

Assumptions:

- The Board of Regents currently requires evidence of continuous improvement of the universities at the institutional level. Each of the universities has its own process in place for its colleges and departments.
- Formative assessments to measure course improvements will occur in every course at the Regent universities at least twice annually. The cost to administer and score the assessments will be minimal.
- Each college at the Regent universities will need one additional faculty member and two to three staff members to support the development of appropriate improvement methodologies and to develop and interpret assessment data. Across the three Regents universities, 24 additional faculty members and 60 staff members will be required to implement the requirements of this Division.

Fiscal Impact:

The estimated impact to the Regents universities is approximately \$6.0 million. The costs may be offset by existing resources currently being used at the universities for continuous improvement efforts.

Annual Study

Beginning July 1, 2012, this Division requires the State Board of Regents to conduct an annual study relating to the admission requirements of the university practitioner preparation programs and the cumulative grade point averages of all students entering and exiting the programs. The Board must submit findings and recommendations to the General Assembly by December 1 annually.

Fiscal Impact:

The impact will be minimal and requirements may be satisfied by current staff.

STEM Requirements

This Division amends the requirements for a STEM collaborative initiative at the UNI for the purposes of supporting activities directly related to recruitment of prekindergarten through twelfth grade mathematics and science teachers. The STEM initiative is subject to an appropriation of sufficient funds by the General Assembly.

Fiscal Impact:

The impact to the General Fund will depend on the appropriation by the General Assembly. The appropriation in FY 2012 is \$1.7 million, and the Governor recommended funding the initiative at \$4.7 million for FY 2013.

Division X – National Board for Professional Teaching Standards Awards

This Division eliminates the end dates for the National Board for Professional Teaching Standards certification one-time fee reimbursement awards and the annual awards. The eligibility for the annual award is 10 years or for the years the individual maintains a valid certificate and remains employed as a public school teacher in Iowa, whichever time period is shorter.

Assumptions:

- The estimate assumes a backlog of 20 certified teachers evenly distributed through 2009-2012. The backlog of certified teachers will require one-time fee reimbursements and annual awards to be brought up to date.
- Reimbursement and annual awards will continue indefinitely for teachers applying for certification.
- New certifications will number 52 annually for FY 2013, FY 2014 and FY 2015, based on the average annual certifications from 2000-2008.

Fiscal Impact:

The estimated impact for reimbursement and annual awards:

- FY 2013 - \$140,000
- FY 2014 - \$245,000
- FY 2015 - \$375,000

Costs are estimated to be ongoing in future fiscal years.

Division XI – Early Childhood Literacy

This Division requires the State Board of Education to adopt, by rule, guidelines for school district implementation of basic levels of reading proficiency based on approved assessments and identification of tools to evaluate any student that may be determined deficient in reading. Assessments should include but are not limited to initial assessments, subsequent assessments, alternative assessments, and portfolio reviews. Requires the State Board of Education to adopt standards that provide a reasonable expectation that a student's progress towards reading proficiency is sufficient to master appropriate fourth grade level reading skills prior to the student's promotion to fourth grade. The Division requires the State Board to adopt the rules and guidelines in this section by July 1, 2013.

Assumptions:

Rules and guidelines can be developed under the current duties of the State Board and no outside consulting costs will be incurred.

Fiscal Impact:

Impact will be minimal and requirements may be satisfied by current staff.

Iowa Reading Research Center

This Division requires the director of the Department of Education to establish an Iowa reading research center for the application of current research literacy.

Fiscal Impact:

The fiscal impact to the General Fund is contingent on an appropriation by General Assembly.

Kindergarten Readiness Assessment

This Division directs school districts to administer a kindergarten readiness assessment prescribed by the Department to every resident prekindergarten or four-year-old child enrolled in the district.

Assumptions:

Requires each school district to administer a kindergarten readiness exam to resident prekindergarten or four-year-old child enrolled in the district. The estimate assumes approximately 24,200 students will take the test annually at a cost of \$15 per test.

Fiscal Impact:

No State fiscal impact.

Estimated Local Impact:

The estimated fiscal impact of the kindergarten readiness assessment provision is an increased cost annually of \$363,000 beginning in FY 2013. The costs will be greater if additional students are required to take the assessment, with a maximum cost of \$600,000 annually (if all students entering kindergarten are required to take the assessment).

Reading Proficiency Requirements

This Division directs school districts to provide intensive reading instruction to any student that exhibits a substantial deficiency in reading, based on assessments conducted in kindergarten through third grade, or through teacher observations, immediately following the identification of the reading deficiency. Requires the school district to continue to provide the student with intensive reading instruction until the reading deficiency is remedied. The parent or guardian of any student in kindergarten through third grade that exhibits a substantial deficiency in reading is to be notified at least annually.

Requires school districts to provide students, identified as having a substantial deficiency in reading, with intensive instructional services and supports free of charge to remediate the identified areas of reading deficiency. Instructional services include a minimum of a daily 90-minute block of scientific research-based reading instruction and other strategies under the discretion of the school district that may include but are not limited to the following: small group instruction; reduced teacher-student ratios; more frequent progress monitoring; tutoring or mentoring; extended school day, week, or year; or summer reading programs.

Requires school districts to provide a report to the parent or guardian regarding the academic and other progress being made by the student. School districts must provide parents of students identified as having a substantial deficiency in reading with a plan outlined in a parental contract, including participation in regular parent-guided home reading.

School districts must establish a reading enhancement and acceleration development initiative designed to offer intensive accelerated reading instruction to each student in kindergarten through third grade assessed as exhibiting a substantial deficiency in reading.

Each school district must report to the Department the specific intensive reading interventions and supports implemented by the school district.

In determining whether to promote a student from third to fourth grade, school districts must place significant weight on any reading deficiency identified by assessments or teacher observations. School districts must also consider the student's progress in other subject areas, as well as the student's overall intellectual, physical, emotional, and social development. The decision to retain a student in third grade must be made only after direct personal consultation with the student's parent or guardian and after the formulation of a specific plan of action to remedy the student's reading deficiency.

Fiscal Impact:

No State fiscal impact.

Estimated Local Impact:

Reading deficiency under this Division will be contingent on the number of students considered substantially deficient in reading based on locally determined or statewide assessments conducted in kindergarten through third grade. The estimated fiscal impact will be subject to the number of students identified as deficient in reading, extent of deficiency, type of reading instruction, and amount of extra instruction time in addition to the regular instruction time. Costs will increase depending on the strategies developed by the school districts including but not limited to: small group instruction; reduced teacher-student ratios; more frequent progress monitoring; tutoring or mentoring; extended school day, week, or year; or summer reading programs.

Division XII – Instructional Time Pilot Project

This Division establishes an instructional time pilot project to study the effectiveness of extra instructional time for prekindergarten through twelfth grade. The project will begin on July 1, 2013, and be administered by the Department of Education. The Department must establish an application process for school districts for the instructional time pilot project. The number of participating students in the instructional time pilot project cannot exceed 7.0% of the total student enrollment in school districts statewide in prekindergarten through twelfth grade for the school year ending June 30, 2012. The total number of students participating in the pilot project enrolled in a school district during a school year cannot exceed 10.0% of the total number of students participating in the pilot project statewide during the school year.

In order to provide additional funds for the school districts with pupils participating in the instructional time pilot project, a supplementary weighting of 0.05 is established per pupil.

This Division is repealed on June 30, 2016.

Assumptions:

- The enrollment used to calculate the fiscal impact is 473,504.
- Assumes a 0.0% allowable growth rate for FY 2013 through FY 2016.

Fiscal Impact:

The Department of Education would require a 0.5 FTE position to develop and oversee the grant application process. The estimated Statewide increase in school aid cost will be:

- FY 2013 - \$0
- FY 2014 - \$8,702,089
- FY 2015 - \$8,702,089
- FY 2016 - \$8,702,089

Additionally, statewide local property taxes will increase by an estimated \$1,243,156 for FY 2014, FY 2015, and FY 2016.

Division XIII – Parent Liaison Counselor

This Division establishes a parent liaison counselor pilot program to be administered by the Department of Education. Schools identified by the Department as persistently lowest-achieving schools must employ one parent liaison counselor. A parent liaison counselor must be a licensed teacher, guidance counselor, or social worker.

This Division is repealed on June 30, 2016.

Assumptions:

- The average total compensation for first-year counselors is \$56,360.
- A total of 35 schools are defined as persistently lowest-achieving.

Fiscal Impact:

No State fiscal impact.

Estimated Local Impact:

The estimated fiscal impact to school districts identified by the Department as persistently lowest-achieving schools is \$2.0 million annually for FY 2013, FY 2014, FY 2015, and FY 2016.

Division XIV – Class Sharing Agreements

Division VIII expands the courses eligible for school aid formula supplementary weighting. The LSA estimates class sharing agreements will increase supplementary weighting funding generated through the school aid formula beginning in FY 2014. Full-year Project Lead the Way courses are currently not eligible to receive supplementary weighting.

Assumptions:

Based on the October 2011 certified enrollment data, courses impacted by this Division had a supplementary weighting totaling 259.24. The LSA assumes this weighting will increase by 10.0% annually. Additionally, the LSA is assuming a 0.0% allowable growth rate for FY 2014 and FY 2015.

Fiscal Impact:

The estimated General Fund impact will be an increase in State school aid of \$1.5 million in FY 2014 and \$1.6 million in FY 2015. Additionally, local property taxes will increase for districts with students receiving the supplementary weighting. Statewide, the estimated property tax increase will be \$200,000 in FY 2014 and FY 2015.

Division XV – Practitioner Preparation Program Assessments

This Division requires institutions with approved practitioner preparation programs to administer a preprofessional skills test to admission candidates.

Institutions must also administer, prior to a student's completion of the program, subject assessments, designed by a nationally recognized testing service, that measure pedagogy and knowledge of at least one subject area.

Assumption:

The cost of the preprofessional skills test and the assessment to measure pedagogy and knowledge of at least one subject area will be paid by the student.

Fiscal Impact:

No State fiscal impact.

Division XVI – State Mandate

Requires any additional costs resulting from this Bill to local school districts to be paid through funds from State aid generated from the school aid formula.

Fiscal Impact:

The LSA has identified that Division III (Regional Parent Advocacy Networks), Division IV (Teacher and Administrator Matters), Division XI (Early Childhood Literacy), and Division XIII (Parent Liaison Counselors Pilot Program) may have additional costs with no additional funding provided in this Bill. However, those costs are currently unknown.

Sources

Iowa Department of Education
Board of Regents
Iowa State University
LSA analysis and calculations

/s/ Holly M. Lyons

March 14, 2012

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the correctional and minority impact statements were prepared pursuant to [Iowa Code section 2.56](#). Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
